

(10) Costs of student recruitment such as advertisements, literature, and college fairs.

(11) Services to high school students, unless they are part of a program to encourage Indian students to develop the academic skills and the interest to pursue postsecondary education.

(12) Instruction in the institution's standard courses as indicated in the institution's catalog.

(13) Costs for health and fitness programs, transportation, and day care services.

(14) Student activities such as entertainment, cultural, or social enrichment programs, publications, social clubs, or associations.

(15) Activities that are operational in nature rather than developmental in nature.

(d) *Endowment funds.* If a grantee uses part of its grant funds to establish or increase an endowment fund under paragraphs (b)(11) or (b)(13)(xiii) of this section, it must comply with the provisions of §§ 628.3, 628.6, 628.10 and 628.41 through 628.47 of this chapter with regard to the use of those funds, except—

(1) The definition of the term “endowment fund income” in § 628.6 of this chapter does not apply. For the purposes of this paragraph (d), “endowment fund income” means an amount equal to the total value of the fund, including fund appreciation and retained interest and dividends, minus the endowment fund corpus.

(2) Instead of the requirement in § 628.10(a) of this chapter, the grantee institution must match each dollar of Federal grant funds used to establish or increase an endowment fund with one dollar of non-Federal funds; and

(3) Instead of the requirements in § 628.41(a)(3) through (a)(5) and the introductory text in § 628.41(b) and § 628.41(b)(2) and (b)(3) of this chapter, if a grantee institution decides to use any of its grant funds for endowment purposes, it must match those grant funds immediately with non-Federal funds when it places those funds into its endowment fund.

(Authority: 20 U.S.C. 1057 *et seq.*)

[52 FR 30529, Aug. 14, 1987, as amended at 59 FR 41923, Aug. 15, 1994; 60 FR 15447, Mar. 23, 1995; 64 FR 70154, Dec. 15, 1999; 65 FR 79310, Dec. 19, 2000]

Subpart B—How Does an Institution Apply for a Grant?

§ 607.11 What must be included in individual development grant applications?

In addition to the information needed by the Secretary to determine whether the institution should be awarded a grant under the funding criteria contained in subpart C, an application for a development grant must include—

(a) The institution's comprehensive development plan;

(b) A description of the relationship of each activity for which grant funds are requested to the relevant goals and objectives of its plan;

(c) A description of any activities that were funded under previous development grants awarded under the Strengthening Institutions Program that expired within five years of when the development grant will begin and the institution's justification for not completing the activities under the previous grant, if applicable; and

(d) If the applicant is applying to carry out more than one activity—

(1) A description of those activities that would be a sound investment of Federal funds if funded separately;

(2) A description of those activities that would be a sound investment of Federal funds only if funded with the other activities; and

(3) A ranking of the activities in preferred funding order.

(Approved by the Office of Management and Budget under control number 1840-0114)

(Authority: 20 U.S.C. 1057 *et seq.*)

[52 FR 30529, Aug. 14, 1987, as amended at 59 FR 41924, Aug. 15, 1994; 60 FR 15447, Mar. 23, 1995; 64 FR 70155, Dec. 15, 1999]

§ 607.12 What must be included in cooperative arrangement grant applications?

(a)(1) Institutions applying for a cooperative arrangement grant shall submit only one application for that grant regardless of the number of institutions participating in the cooperative arrangement.

(2) The application must include the names of each participating institution, the role of each institution, and